



# General Information Fact Sheet

## May 2006

### Project HERO (Healthcare Effectiveness through Resource Optimization)

Project HERO is a demonstration program that is being piloted in selected Veterans Integrated Service Networks (VISNs) to improve the ability of the Department of Veterans Affairs' (VA) patient-focused health care system to care for the Department's enrolled veterans. Under the program, VA will take steps to maximize the care it provides directly and better manage contracted health care. The ultimate goal of Project HERO is to ensure that all care delivered by VA – whether through VA providers or through community partners – is of the same quality and consistency for veterans.

### Background

VA developed Project HERO in November 2005 in response to a U.S. House of Representatives Appropriations Conference Report to implement care management strategies that have proven valuable in the broader public and private sectors. Through Project HERO, VA will ensure that care purchased for enrollees from community providers is cost-effective and complementary to the larger Veterans Health Administration (VHA) system of care, while preserving and sustaining VA partnerships with academic affiliates. As requested in the Appropriations Conference Report, VA will establish at least three care management demonstration programs through competitive award and will collaborate with industry, academic and other organizations to incorporate a variety of public-private partnerships.

### Project HERO Model

Through Project HERO, VA will take steps to optimize the care provided directly to enrolled veterans and better manage contracted health care. Currently, VA authorizes fee-basis care for veterans when it cannot provide specific medical expertise or technology. Veterans then find their own community-based providers. This eliminates the opportunity for VA to conduct effective medical management, and adversely impacts continuity of care and the ability to establish a complete patient record.

Under Project HERO, VA will establish a care management approach to implement management systems and processes that focus on value and foster quality and patient safety to make contracted providers virtual, high-quality extensions of VA. VA will establish effective, high-quality relationships with community providers to complement the VA system of care and ensure that all providers, within VA and in contracted facilities, pass qualification standards. VA will also implement performance-based monitoring and evaluation of all contracts to control administrative costs and the rate of cost growth associated with contracted care.

### Objectives

Overall objectives for the Project HERO demonstration have been defined with input from a number of key stakeholders, including VSOs, industry, and academia. In addition, Congress has been briefed on these objectives. Project HERO objectives include:

- Provide as much care for veterans within the VHA as practicable;
- When necessary, efficiently refer veterans to high-quality community-based care;
- Improve exchange of medical information between VA and non-VA providers;
- Foster high quality care and patient safety;
- Control operating costs;
- Enhance collection of medical care revenue;
- Increase veteran satisfaction;
- Secure accountable evaluation of demonstration results; and
- Sustain partnerships with university affiliates.

*For more information visit the Project HERO web site at: <http://www.va.gov/hac/hero>*



## Demonstration Sites

VA has selected four Veterans Integrated Service Networks (VISNs) to pilot Project HERO demonstrations:

- **VISN 8:** VA Sunshine Healthcare Network, which includes Florida and Southern Georgia. Please note that the initial demonstration will not include Puerto Rico or the U.S. Virgin Islands.
- **VISN 16:** South Central VA Health Care Network, which includes Oklahoma, Arkansas, Louisiana, Mississippi and portions of the states of Texas, Missouri, Alabama, and Florida.
- **VISN 20:** Northwest Network, which includes Washington state, Oregon, most of the state of Idaho, and one county each in Montana and California. Please note that the initial demonstration will not include Alaska.
- **VISN 23:** VA Midwest Health Care Network, which includes Iowa, Minnesota, Nebraska, North Dakota, South Dakota, and portions of northern Kansas, Missouri, western Illinois, Wisconsin, and eastern Wyoming.

The VISNs selected are among those with the highest expenditures for community-based care, particularly relative to the number of enrollees in the VISN in some cases. In addition, these VISNs include some of the largest VA networks, representing 25% of total enrollment and 30% of annual out-of-network expenditures.

VA used these selection criteria to ensure that Project HERO demonstration results will be representative of the larger VA population, and to facilitate VA's ability to measure whether the demonstration is successful. Over time, positive results may result in expansion of Project HERO to additional regions.

## Partners

VA will collaborate with Veterans Service Organizations (VSOs) and engage academic affiliates, industry, thought leaders, VA / DoD sharing partners and other federal agencies in conducting Project HERO. VA's partners will bring fresh ideas and leading strategies, tools and capabilities to help VA meet the goals for Project HERO. These innovative partnerships will enable strategic leadership for the design of care initiatives that are focused on cost, quality, and service. Together, VA and its partners will collaborate to achieve specific and challenging health system objectives and provide better care for all veterans.

## Additional Resources

Additional information about Project HERO is available from Project HERO's web site at <http://www.va.gov/hac/HERO> or by contacting [vhacoprojecthero@va.gov](mailto:vhacoprojecthero@va.gov). Veterans eligible for VA benefits may contact 877-228-8387 for more information.

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